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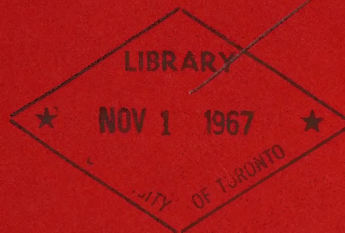
MEETING POVERTY



FACE  
À LA  
PAUVRETÉ

**What Is Government Doing About Poverty?**

**Hon. Mitchell Sharp**



**MP - 23**



## WHAT IS GOVERNMENT DOING ABOUT POVERTY?

The Honourable Mitchell Sharp

Traditionally, governments have approached the question of poverty from two aspects -- economic growth and social security. There was once a theory that, given sufficient economic growth, poverty would be solved by every able-bodied man or woman being able to find work. For those who were not able to work, governments provided relief or other forms of assistance. Desirable as both objectives are, they will not in themselves solve poverty. While times of general prosperity like the present benefit most Canadians in very visible ways, there remains a substantial minority of poor as high in absolute numbers as during the great depression who do not share this affluence. To the extent that poverty is a relative term, they are poorer than ever. Prosperity tends to widen the gulf between rich and poor just as depression tended to be a leveller. That is one reason why poverty today is a top priority in government thinking and government action.

Last spring the federal government announced a new organization to fight poverty and broaden opportunity. That was not the beginning of the Canadian War on Poverty. For years there have been many positive approaches aimed at helping the poor. Some, like ARDA, have been developed in such a way as to put Canada in the very forefront of bold programming for the elimination of human want. But there have been gaps. Even the best of projects must be constantly subject to review in the hope of improvement.

This was the thinking which prompted the federal government to establish the Special Program Committee of the Cabinet under the chairmanship of the Prime Minister. It is served by the Special Planning Secretariat which was set up to carry the role of co-ordination, stimulation, of information gathering, of information dissemination. Its job is to analyze the problems of poverty and to help develop and co-ordinate the federal government action which will be most effective in improving the situation of the poor and developing new opportunities to help them take a full part in Canadian life. We might then call this a third dimension in government policy -- social opportunity to go with economic expansion and social security. The federal anti-poverty organization is partly to strengthen federal programs and partly to help link the projects of federal agencies with the vital programs of



provincial government, voluntary groups, our research institutions and private citizens. This is not a federal war against poverty. It is a national war, in which the federal government will discharge its full responsibility for leadership.

I am sure this audience is familiar with those stark statistics which tell something of the problems we Canadians face in erasing the blot of poverty -- statistics on education, on housing, on health. There is a lot of discussion today about priorities in action: whether we should tackle first undereducation, or poor health, or insecure income. The obvious answer is that none can be tackled alone. In naval terms, we must advance line abreast, not line astern. Fortunately, we do so against a background of national economic strength: of high national employment, of steadily advancing income, of reassuring prospects for continuing growth. This is well, for the investment in human resources required to maintain this economic strength is very great.

Take manpower training. As the Economic Council has pointed out, Canadians are seriously undereducated and undertrained to operate the kind of technological society we are developing today. To meet the needs of 20 years hence -- when two-thirds of our present population will still be in the labour force -- we are critically unprepared. Without a revolution in education and training, we just cannot continue to operate the industries on which our national well-being depends. I need hardly point out that we neither can, nor do we want to, depend on the immigration of skilled workers to maintain our pace. This is why, since 1961, over \$1,100,000,000 has been spent by the federal and provincial governments in constructing new vocational training facilities which provide more than 3,000 new student places. While this is a dramatic increase over a short period, the gap in our education facilities means that we must continue this expansion not only in the vocational training field but in all other areas of education. With the enormous expansion of universities in Canada, we might well become complacent with higher education. We have no cause. One out of every twelve Canadians of university age is taking university education. In comparison, one-half the young Americans of appropriate age are going to university. Another discouraging figure is that 30 per cent of young Canadians between the ages of 14 and 24 have left school with only Grade 8 education with no apparent intention of returning. These are tomorrow's poor.

progressive movement, voluntary groups, our research  
institutions and private citizens. This is not a federal  
way against poverty. It is a national way, in which the  
federal government will discharge its full responsibility for  
leadership.

I am sure this audience is familiar with these  
great speeches which call attention to the problems we  
confront in raising the standards of living -- education,  
the education, the housing, the health. There is a lot of  
discussion today about priorities in action: whether we should  
have first consideration, or first health, or housing  
first. The obvious answer is that none can be tackled alone.  
In every sector, we must advance like ahead, and like ahead.  
Necessarily, we do need a background of national economic  
prosperity, of high national employment, of steadily advancing  
standards of living, of increasing growth. This  
is the basis for the investment in human resources required to  
achieve this economic strength is very great.

This network training. As the Economic Council has  
pointed out, Canadians are seriously undereducated and  
undertrained to operate the kind of technological society we  
are developing today. To meet the needs of 50 years hence --  
which demands of our present population will still be in the  
future -- we are critically undereducated. Without a  
revolution in education and training, we just cannot continue  
to operate the industries in which our national well-being  
depends. I need hardly point out how we match can, and we  
must do, depend on the maintenance of skilled workers to  
operate our plant. This is why, since 1941, over \$1,500,000,000  
has been spent by the federal and provincial governments in  
post-secondary and vocational training facilities which provide  
more than 1,000 new student places. While this is a significant  
advance over a short period, the gap in our education  
system means that we must continue this expansion not only  
in the vocational training field but in all other areas of  
education. With the enormous expansion of universities in  
Canada, we must well become concerned with higher education.  
We have no cause. One out of every twelve Canadians at  
university age is having university education. In comparison,  
one-half the young Americans of corresponding years are going  
to university. Another encouraging figure is that 10 per cent  
of young Canadians between the ages of 15 and 24 have left  
school with only Grade 8 education with no equivalent education  
of training. These are tomorrow's lost.

Despite the rapid expansion of vocational training facilities, the dropout rates among unemployed workers, 50 per cent and higher, indicate that solving training needs requires more than schools. Canada needs new ways of teaching, attracting and motivating many Canadians who are not able to adjust to our present educational systems. The school dropout rate indicates we are talking about more than a quarter of our young population. We cannot afford to write these people off. Ministers from the federal government and the provinces met last week to discuss bold new pilot projects which will test new approaches and methods in vocational training. Financed by the federal government and administered jointly with the provinces, we hope they will lead to drastically revised programs capable of giving skills to those people who had previously given up all thought of further schooling.

The average worker will hold about three jobs in his lifetime, each requiring specialized training. Advancing technology creates new wealth and new opportunities but it also destroys less skilled jobs. It is becoming harder for those left behind to catch up.

What of those who have the skills but who live in areas where no jobs are available? There are two choices. Governments may encourage industries to locate in areas where there is a dearth of employment opportunities. The federal government, through its Area Development Program is doing just this. It has recently designated 65 National Employment Service areas and 16 counties and census divisions where about 16 per cent of the Canadian labour force lives. Within these areas manufacturing and processing industries which establish new plants or substantially expand old ones will receive development grants. The fund for these grants is initially \$50 million. The direct financial aid to a plant opening or expanding in an under-developed area may reach \$5 million.

The second choice is to move the worker to areas where his skills can be used. This is the purpose of the Manpower Mobility Program which has just been introduced. Through this program the unemployed worker can move to a new job. Assistance to move may be obtained as an outright grant by workers who have been unemployed for four out of the previous six months and by people who have completed training



courses. People who have been unemployed for shorter periods may have the assistance in the form of a loan repayable over two years. This money will cover all the costs of a family's transportation as well as the movement of their household belongings. It will also help to meet the costs of resettling. The resettlement part of the aid may be as high as \$1,000 for a large family. The object of this program is to combat the problems of distance so costly to our national life. It is to help make all Canada into one community of workers.

Even in this brief reference to measures to help members of the labour force who are chronically underemployed, I should mention the new Department of Manpower. This is, of course, a part of a broad government reorganization. Our plans to create the new department are especially important to provide those manpower programs which the Economic Council has pointed out are so important in the effort to fight poverty and create opportunity. Even the name of the new department is an indication of priorities in national development.

Much of Canada's poverty is concentrated in rural areas. The government will be submitting to Parliament a proposal for a new \$50 million fund for rural development under the ARDA program. This will make possible the redevelopment of rural areas which have serious adjustment problems and low income. The projects in such areas must conform to comprehensive development plans worked out by the provinces. A feature of the plans must be local participation under rural development committees, illustrating how government resources are being used for a truly national attack on poverty.

In this national movement for new opportunities, the Company of Young Canadians is going to take a place in the forefront. The government will launch a pilot project this coming summer to test principles under which we are asking Parliament to establish a permanent Company of Young Canadians. The Company is intended to give Canada's youth an opportunity for service. Because the emphasis will be on community development, the volunteers will play a large part in enabling the poor to help themselves by use of the resources available to them. It is a truism that the best possible government measures will be useful only if the people

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who need them are able to take advantage of them. While there will always be a place for conventional forms of charity, the cycle of poverty will not be broken until the poor themselves become involved in the solution of their own problems. To the extent that they manage their own affairs and obtain the self respect that goes with this, they will become less and less a burden to society. Community development on a national scale must be an important element in an effective program. This is not just a matter of social conscience. It is designed also to reduce the waste of human resources for which all Canadians must pay.

So far I have been speaking of social opportunity and economic growth programs. Even assuming that perfect world where all trainable people are matched with jobs using their talents to the full, we still will have many Canadians who, for one reason or another, will not be able to earn enough money to support themselves. In this group are the aged, the mentally or physically incapacitated, deserted mothers. There are many support programs for these people. Old Age Security, Unemployment Insurance, the Family and Youth Allowances program and, more recently, the Canada Pension Plan, all are part of a developing structure to provide a basic income and insurance against disaster. The new Canada Assistance Plan which was discussed with the provinces recently will bring into a single program and administrative framework the varied welfare needs of all Canadians. The plan abolishes the means test for people receiving Old Age Assistance, or Blind or Disabled Persons Allowances. Benefits will be geared to the needs of the applicant and his dependents. It is a big step forward in guaranteeing a certain level of human dignity for all Canadians.

Much work remains to be done in developing economic tools for a social purpose whether in training allowances, unemployment insurance or levels of social assistance. I do not accept the proposition that people generally prefer to live on welfare, or that they would rather live on welfare than work. The man may well prefer to be independent and to work, but he simply cannot afford to do so. The relationship, then, of these measures to economic opportunity requires the deepest studies by governments and by research institutions.



Much has been said about medicare and I won't discuss this in detail here. Suffice it to say that it is the intention of the federal government to bring comprehensive health services into effect for all Canadians. Ill health is a big factor in poverty. A sick man cannot work or improve his earning power. It is the poor who most often fall prey to serious health problems. Medicare will be a long step in the direction of increasing the health levels of all Canadians.

Closely linked to health is housing. Housing programs are available with massive federal support, but they are not being used as they were intended. We need more public understanding of housing and the means now available to meet it. This is an example of the need of local action to make government measures really successful. Nevertheless, the legislation is being constantly improved, and within the past year, the provisions for urban renewal were greatly improved.

I have been speaking of what government is doing. It is up to every Canadian to become a part of the struggle against poverty. The spread of knowledge will erode complacency. Then it is up to each of us to take a vital interest in designing new programs at every level of government. It is also up to each of us to make those programs work through a very personal engagement in the problems of the poor. We may help by working with poor people ourselves, or through our churches, home and school associations or social organizations. This is what I mean by a national war on poverty.

I began with the question, "What is government doing about Poverty?" and have tried very briefly to answer it. I suggest we must equally ask the question, "What are we doing?". Each of us must be satisfied by his own answer.

(Note: This paper was prepared for presentation to the Conference on Poverty and Planning sponsored by the Woodsworth Foundation at the Education Centre, Toronto, Ontario, January 22, 1966.)





